

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

JAMES CELESTE, Individually and on
Behalf of All Others Similarly Situated,

Plaintiff,

v.

INTRUSION, INC., JACK B. BLOUNT,
MICHAEL L. PAXTON, B. FRANKLIN
BYRD, T. JOE HEAD, GARY DAVIS, and
JAMES GERO,

Defendants.

GEORGE NEELY and JOAN NEELY,
Individually and on Behalf of All Others
Similarly Situated,

Plaintiff,

v.

INTRUSION, INC., JACK B. BLOUNT,
MICHAEL L. PAXTON, B. FRANKLIN
BYRD, T. JOE HEAD, GARY DAVIS, and
JAMES GERO,

Defendants.

§ CIVIL ACTION NO. 4:21-cv-00307-SDJ
§ **[LEAD CASE]**

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§ CLASS ACTION

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§ CIVIL ACTION NO. 4:21-cv-00374-SDJ
§ **[CONSOLIDATED]**

§ CLASS ACTION

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**[PROPOSED] AGREED ORDER STAYING PROCEEDINGS PENDING THE FILING
OF A MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION
SETTLEMENT**

WHEREAS, on April 16, 2021, James Celeste filed a putative class action complaint (the “Complaint”) asserting claims pursuant to Sections 10(b) and 20(a) of the Securities

Exchange Act of 1934, 15 U.S.C. §§ 78j(b), 78t(a), and Rule 10b-5 promulgated by the U.S. Securities and Exchange Commission (Civil Action No. 4:21-cv-00307, the “Celeste Action”);

WHEREAS, on May 14, 2021, George and Joan Neely filed a related putative class action complaint asserting similar and related claims (Civil Action No. 4:21-cv-00374-SDJ, the “Neely Action”);

WHEREAS, on November 23, 2021, the Court entered orders consolidating the Neely Action with the Celeste Action, designating the Celeste Action as the lead case (Dkt. No. 31), and appointing movant Andrew Bronstein as Lead Plaintiff (“Lead Plaintiff”) and approving Lead Plaintiff’s selection of The Rosen Law Firm, P.A., as lead counsel (“Lead Counsel”) and Steckler Wayne Cochran Cherry PLLC as liaison counsel (Dkt. No. 32).¹

WHEREAS, on December 10, 2021, the Court issued its order (Dkt. No. 37) setting a briefing schedule for motions to dismiss the operative complaint (the “Scheduling Order”);

WHEREAS, on February 7, 2022, Lead Plaintiff filed an amended putative class action complaint (Dkt. No. 38, the “Amended Complaint”), naming additional defendants;

WHEREAS, on February 10, 2022, the Lead Plaintiff and Defendants Intrusion, Inc., Jack B. Blount, Michael L. Paxton, B. Franklin Byrd, T. Joe Head, Gary Davis, and James Gero (the “Defendants”, and together with Lead Plaintiff, the “Parties”) filed a Joint Motion for Order Continuing Deadlines for Motion to Dismiss Briefing (Dkt. No. 40), notifying the Court that the parties planned to engage in mediation, and requesting that all dates in the Scheduling Order for briefing of the contemplated motion to dismiss be extended 45 days so that the Parties might

¹ On March 21, 2022, Lead Plaintiff filed an unopposed motion to permit Brayden M. Wayne and Steckler Wayne Cochran Cherry, PLLC to withdraw as liaison counsel and to appoint Cochran Law PLLC and Stuart L. Cochran as substitute liaison counsel (Dkt. No. 44), which was granted by the Court by its order dated March 23, 2022 (Dkt. No. 45).

conserve resources and explore possible resolution, which motion was granted by the Court's order issued February 28, 2022 (Dkt. No. 41);

WHEREAS, pursuant to the Court's order issued February 28, 2022, Defendants' motion(s) to dismiss are to be filed on or before June 9, 2022, with Plaintiffs' brief(s) in opposition to be filed on or before August 8, 2022, and any reply brief(s) on or before September 22, 2022;

WHEREAS, the Parties engaged in a mediation on April 5, 2022, at the conclusion of which the Parties executed a settlement term sheet setting forth the material terms associated with the resolution of this action (the "Settlement Term Sheet");

WHEREAS, in accordance with the Settlement Term Sheet, the Parties agree to cease all litigation activities in this action, except those related to the negotiation of the final stipulation and agreement of settlement and related agreements and preparation for seeking preliminary approval of the settlement from the Court;

WHEREAS, the Parties agree that a stay of proceedings while the Parties negotiate the final stipulation and agreement of settlement and prepare for seeking preliminary approval of the settlement would promote judicial economy; and

WHEREAS, it is in the interest of the Parties and the interest of justice to minimize the expenditure of judicial time and resources by resolving administrative issues by mutual agreement where possible;

IT IS HEREBY ORDERED THAT:

1. With the exception of activities related to the negotiation of the final stipulation and agreement of settlement and preparation for seeking preliminary approval of the settlement from the Court, all proceedings in this case are stayed.

2. Current court proceedings in this action (including any deadlines or filing requirements) are suspended.

3. Neither Plaintiffs nor Defendants waive their rights to seek a lift of this stay from each other or the Court.

IT IS SO ORDERED.

AGREED AS TO SUBSTANCE AND FORM:

/s/ Stuart L. Cochran

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